

VOLUME H - BULK PETROLEUM MANAGEMENT

CHAPTER 1

REQUIREMENTS FOR PETROLEUM PRODUCTS

A. GENERAL

1. DoD requirements for bulk petroleum products are supplied by DFSC through contracts negotiated with oil companies. **Local** purchase provisions are provided in chapter 2, section B. of this volume.

2. Annual bulk **fuel** requirements for consumption and inventory **fill** are computed by the Military Services and Federal Agencies. Requirements are submitted to DFSC via DD Form 448, Military **Interdepart-mental** Purchase Request(**MIPR**); see section F, below.

3. Bulk petroleum products are funded by DLA/DFSC or the Military Services/Federal Agency, as directed by DoD(C). **DFSCR 4220.11** prescribes **purchase programs** and associated funding responsibility.

4. Military **Service/Federal** Agencies funded petroleum requirements are as follows:

a. Products for **Military Assistance** Program (MAP) and Foreign Military Sales(**FMS**) requirements.

b. Bunker fuel requirements for propelling ships,

c. **Aircraft** refueling service contracts **at military** bases. DFSC finds **DFSC-contracted** product.

d. Products local purchased.

e. Purchases of **fuel**, oil filters, auto services, etc. with SF 149, U.S. Government National Credit Card.

f. Products of limited and unique military application which are excluded from DLA integrated management.

g. Civil Agency requirements for ground fuel products such as motor gasoline, heating oil, and diesel, being bought through Post, Camps & Stations (**PC&S**)

contract bulletins.

B. BUDGET AND PROCUREMENT DATA

1. **Budget Data.** SCPS shall submit budget requirements for bulk fuel, packaged fuel, **into-plane**, and PC&S contract bulletin items to **DFSC-O** for which **MIPRs** are expected to be **initiated**; do not include **local** purchase requirements (see criteria in chapter 2, section B. of this volume). Budget requirements represent consumption of fuel and new base tankage inventory fill; data will be reported by grade of **product**, **fiscal** year and quarter on DD Form 2082, Projected Military Services Purchase from DFSC, and DD Form 2082C (Continuation Sheet), **RCS: DLA(AR)1892 (DFSC)**. See volume V, appendix A1 of this manual for format. Projected requirements are used in preparing DFSC budget estimates and operating budgets. Annual dates and **fiscal** years (**FY**) for reporting budget requirements are as follows:

a. June 1,..... Current **FY** update and next 3 **FYs** (initial).

b. February 1..... Current **FY** update and next **FY** update (mid).

2. **Procurement Data.** **DFSC-O** shall develop procurement data and programs based on peacetime consumption, war reserve program, and new tankage inventory build-up requirements submitted by the Military Services and stock levels at **DFSPs**. **DFSC-O** shall consider supply factors such as: (1) total MIPR requirements of all Services, (2) build-up or drawdown of DFSP inventories, (3) projected inventory position at the beginning of the program delivery period, and (4) DFSP projected storage changes (initial fill, maintenance, etc.) during programmed **delivery** period.

3. **Local Purchase Criteria.** See chapter 2, section B. 2. of this volume.

4. Central Purchase Criteria

a. **Annual Requirements.** SCPS shall submit **MIPRs** for **fuel** in support of aircraft, vehicles, ships to **DFSC-O** as prescribed in DFSCR 4220.1, based on the

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1 Requirements Submission Schedule for Fuel and Commercial Services; copies are distributed to SCPS by DFSC-OP.

following annual requirement criteria:

(1) ~~CONUS~~**CONUS**/Alaska locations of 10,000 gallons (37,850 liters) or more.

(2) Overseas/Hawaii locations of 20,000 gallons (75,700 liters) or more.

b. **Special Exercise Requirements.** Include such requirements in the annual **MIPR**; indicate quantity and date(s) of exercise,

c. **Delivery Restrictions.** Delivery restrictions (e.g., mode) which critically **limit** the receiving capability of the **location** shall be reported in the **MIPR**; such restrictions may result in contracts being awarded at a higher price. Thus, good judgment must be exercised in reporting such restrictions. However, critical delivery restrictions must be reported to preclude contractor delivery problems, and work stoppages.

### C. REQUIREMENTS FOR PETROLEUM PRODUCTS

1. **General.** DFSC develops worldwide purchase programs structured to the needs of the **Military Services** in conjunction with contracting patterns. purchase programs are designed to consolidate DoD requirements by region to obtain lowest possible unit cost of product. To achieve economic goals, timely submission of requirements is crucial. Requirements at host locations shall include requirements for **tenant** organizations and **expected** issues to transient units.

2. **DFSCR 4220.1.** Requirements submission schedule for petroleum products are prescribed in **DFSCR 4220.11**. Copies are distributed to Service Control Points (**SCPs**) listed in section G, below. Requirements are coordinated by DFSC-O with the **SCPS**. **MIPRs** may represent:

a. **Annual** consumption requirements by purchase programs.

b. Initial **inventory** fill for new or converted tankage.

c. Increase of inventories.

### 3. Ground Fuel Requirements Worksheets.

a. Requirements worksheets are used in support

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**1 Requirements Submission Schedule for Fuel and Commercial Services;**  
copies **are** distributed to **SCPs** by DFSC-OP.

of ground **fuel** requirements (e.g., motor gasoline, diesel **fuel**, heating oils) in the PC&S purchase programs.

b. **Military Services/Federal Agencies shall** update/adjust requirements worksheets data (as needed) and return the worksheets to DFSC-O for **final** review and procurement action. Worksheets will be returned with **MIPRs** (see section E., below) for ground fuel requirements. See volume V, appendices A 1 I/A1 la of this manual for samples of requirements worksheets and instructions for ground fuel.

### D. REQUIREMENTS FOR COMMERCIAL SERVICES

1. Procurement requirements for commercial services will be submitted to DFSC-P (see DFSCR 4220.1.). **Military Service** funded requirements for commercial services shall be submitted to **DFSC-P**, 210 days prior to the need date, or no later **than 60 days** prior to the new funding period for open **multiyear** contracts, Emergency requirements may be reported as they occur. DFSC contracts for the following commercial services:

a. Storage and handling of Government fuel at commercial terminals/facilities (re: **COCODFSPs**).

b. Government-owned contractor-operated **petroleum** storage terminals (re: **GOCO DFSPs**).

c. Commercial lab testing of **Government-owned** product.

d. Alongside aircraft fuel delivery.

e. **Drumming Bulk Fuel.** Requirements shall be submitted through command **channels**; **SCPS** shall submit **MIPRs** and coordinate drumming and delivery instructions to **DFSC-O**. **MIPRs** will include required date, **full** billing, and **ship-to-data**. DFSC shall **fund** the purchase and delivery of drummed **fuel** and bill the **Military Services** for reimbursement. **DFSPS** may be used as the source of supply if product required is available at a DFSP having drumming capability. See chapter 9, section 1., of this volume for decanted product return procedures. Note: **DGSC** is the **inventory/distribution** manager for 55-gallon (208 liters) steel drums.

### E. REQUIREMENTS FOR INTO-PLANE CONTRACTS

1. **General.** Circumstances frequently require

refueling military aircraft at commercial airports where military facilities/personnel are not available. To minimize commercial costs and to ensure quality product will be available, an "into-plane" contract may be established at such locations.

a. Criteria. Into-plane refueling contracts will be solicited for DoD, NASA, FAA, or other Federal Agencies when the "annual" requirement for a single grade of product is at least 15,000 gallons (56,800 liters) at a commercial airport. Less than 15,000 gallons (56,800 liters) is uneconomical to establish an into-plane contract. New requirements for less than 15,000 gallons (56,800 liters) shall be submitted for possible consolidation with other users' requirements at the same location.

b. Exercises. Requirements for into-plane refueling contracts at commercial airports in support of planned military exercises will be submitted to SCPs, a minimum of 90 days prior to date of exercise. Requirements should include the data listed in paragraph E. 1.c., below. Emergency contracts in support of contingency operations will be handled on a cases-by-case basis.

c. New Contracts. NASA, FAA, and SCPS shown in section G., below, will request DFSC to establish new into-plane contracts, as needed, based on the above criteria. Agencies requesting into-plane contracts will maintain records of open market purchases (locations where contracts have not been established) to provide realistic estimates of requirements. Such requests will be forwarded to DFSC-O IAW DFSCR 4220.1 and will include the following data:

(1) Airport name, address, and flight information publication (FLIP) code where refueling is required.

(2) Time frame (e.g., 24 hours, 0800 to 1800 hours) for refueling services.

(3) Quantity required by grade of fuel and oil (indicate acceptable substitute products) in descending order.

(4) Requirements by month or other increment, if deliveries are expected to be needed on an intermittent basis, specify as necessary.

(5) Number of aircraft required to be serviced daily for special exercises including duration

and timeframe.

(6) Unusual delivery condition, i.e., number of aircraft requiring simultaneous refueling, aircraft ground time, etc.

(7) Reason contract at requested location is necessary. Provide a statement that military refueling is not available at or near the location to meet these requirements. If military service is available on or in proximity to the commercial airport, the request will include statements which justify contract coverage. Such statements must report commercial service prices and an adequate estimate of the military cost expected.

d. Contracts. Into-plane contracts are usually awarded for 2 years. Requirements for renewal shall be determined by DFSC. DFSC will determine contract renewal by ensuring previous sales reported by the contractor exceed the minimum threshold stated above, and that any mission essential requirements stated by the appropriate SCP can be met. The contractor must supply a commercial ASTM specification product and maintain an adequate inventory to meet normal demands, and service the product into Government aircraft IAW military servicing specifications. The contractor supplies the fuel, lube oil, refueling facilities, and servicing personnel.

2. Authorized Users. Users authorized into-plane services are as follows:

a. U.S. Government aircraft (military-active/guard/reserves) and other Federal Agencies with proper identaplates.

b. Aircraft of the Canadian Armed Service.

c. DoD bailed aircraft, when the bailment agreement specifies that fuel and oil will be Government furnished and prior arrangements have been made with DFSC-O for payment of product to be obtained.

d. Commercial and civil aircraft under contract or charter to the U.S. Government, providing prior approval is obtained from DFSC-O and such authorization is specifically stated in the contract.

e. DoD aerospace power and support equipment when the into-plane contractor is authorized to make such deliveries. Fuel for this equipment will be purchased with an identaplate.

### 3. Product and Servicing Specifications

a. Product. Products supplied under an **into-plane** contract will meet contractual specifications unless DFSC-Q, / in **coordination** with the Technical Quality Office of the applicable Military Service, grants a waiver or deviation. Such waivers may be needed to supply aviation **fuel** without the fuel system icing inhibitor. Waiver data is indicated in the **Avfuel** and **Avoil** Into-Plane Contract Listing.

b. Servicing. **MIL-STD-1548**, Into-Plane Delivery of Fuel and Oil at Commercial Airports is incorporated in into-plane contracts. It establishes requirements for quality of the products, technical requirements of equipment, quality assurance, and safety. Copies of **MIL-STD 1548** are available from:

DODSSP - Customer Service  
Standardization Document Order Desk  
700 Robbins Avenue, Bldg. 4D  
Philadelphia, PA 19111-5094

4. Product Availability. Products at into-plane **locations**:

a. Aviation Fuel: Commercial Jet A (CONUS), A1 (overseas) and Jet B (Alaska and Canada).

b. Petroleum Base Jet Oil (**MIL-L-6081**): Grades 1005 and 1010.

c. Turbine Oil (**MIL-L-7808** and **MIL-L-23699**): Synthetic base.

d. Engine Lubricating Oil (**ML-L-22851**): Type II, Grade 1100 and Type III, Grade 1065.

5. Invoices/Payments. Contractor invoices for purchases resulting from into-plane contracts will be submitted to DFAS-CO/DFSC-RF. DFSC **shall** bill purchasers for each issue IAW pricing guidance in chapter 11, subsection C.2. of this volume.

6. Aviation Fuel & Oil Into-Plane Contract Listing. This listing (prepared by **DFSC**) summarizes contract data associated with into-plane locations such as contract number, airport, refueling agent, grade of fuel available, operating hours, waivers to product specifications (if any), operating hours, etc. The listing is intended to assist flight planners; it is NOT intended as a flight document. Copies of the listing are distributed to:

a. Military Services, DCMDS, National Guard Units (located on or in proximity to into-plane loca-

tions), Defense **Attaché** Offices, and Federal Agencies having into-plane requirements.

b. DMAAC publishes "DoD **Flight** Information Publication (**Enroute**)," which outlines product award at airport locations.

## 7. Contractor Performance/Cooperation

a. Into-plane **refueling** contractors normally provide **refueling** service 24 hours a day, 7 days a week, unless indicated otherwise in the **bulletin** (listing). At such locations, advance **coordination** with the contractor is required to assure **refueling** coverage after **normal** duty hours.

b. Aircraft's are normally serviced on a **first-come-first-served** basis. Note, unusually heavy **liftings** must be coordinated with the contractor in advance, this will minimize delay and avert **delivery** problems.

c. Contractors or **refueling** agents are required to deliver into the aircraft tanks, unless the pilot or authorized representative desires to **handle** the refueling hose. Refueling will take place at or adjacent the contractor facility.

8. Complaints of Service Performance. Complaints of unsatisfactory service, etc., at into-plane locations should be **forwarded** to DFSC-O. The report should be as factual as possible and include: dates, times, **names**, unit numbers, and circumstances.

## F. MILITARY INTERDEPARTMENTAL PURCHASE REQUEST (MIPR)

### 1. Purchase Requests

a. DD Form 448, **MIPR**, will be used to submit product and service requirements to DFSC in **compliance** with DoD FAR Supplement 8.7008 and its subparts. **MIPRs** will be submitted consistent with guidance in sections A. through E., above.

b. **MIPRs** will be structured by product and will include: name, address and DoDAAC of the location (base, airport) and the mode of shipment code **IAW** volume V, appendix C27 of this manual. See volume V, appendix A2 for further instructions and appendix A3 for sample DD Form 448. Plain paper should be used for continuation sheets. Additional data in support of the requirement may be attached to the **MIPR** (such as letters, specification data).

c. Messages/phone calls may be used to initiate procurement action in support of urgent or emergency requirements. ~~Such~~ requests will include adequate data to initiate procurement. These requests will be confirmed promptly by a MIPR -- with a statement **confirming** the prior request; such as: This MIPR confirms our prior request submitted to DFSC-O by phone January 15, 1993, or by message 1516002 JAN 93. Such statements are crucial to preclude duplicate procurement action.

d. Letters or messages may be used to **clarify** previously submitted **MIPRs** and to furnish **supplementary** data. Such documents will reference the previous MIPR and associated purchase program.

e. Issue Priority Designators (IPDs) are assigned to **indicate** the degree of urgency. IPDs are used in the Uniform Materiel Movement/Issue Priority System (UMMIPS) for Government contracts. UMMIPS is designed to inform the contractor which contract to fill first when the contractor is obligated to fill more than one contract at the same time. However, IPDs are not normally assigned to **MIPRs** for petroleum products. Bulk **fuel** has its own unique stock control and distribution system and annual purchase programs. See volume V, appendix A4 of this manual for illustration of UMMIPS.

f. DFSC will review **MIPRs** for **complete/accurate** data. If additional data is required, it should be **furnished** in the shortest possible time.

g. MIPR status is **furnished** to SCPS via the solicitation (IFB or RFQ) and the resultant contract. SCPS are advised of unusual delays in procurement action or non-award.

## 2. Purchase Requests Amendments

a. DD Form 448 is also used to amend previously submitted **MIPRs**. Such **MIPRs** must contain the word "AMENDMENT" in conspicuously large block letters. In the same manner the word "CANCEL" **will** be used for cancellation of a prior MIPR.

b. **Military Services** will review **MIPRs** semi-annually in an effort to confirm the initial requirements. The purpose of this review is to advise DFSC of substantive variance in requirements (through amended **MIPRs**) as a result of program changes.

## 3. Service Funded MIPRs and Associated Obligation Actions

a. During the purchase process, the availability of **funds** cited on the MIPR will be reevaluated IAW current market conditions, and excesses reported to the SCP. DFSC will not obligate **funds** in excess of the amount certified in the **MIPR** except with SCP APPROVED authorization.

b. DFSC will not obligate **funds** for the purpose of establishing contingency cost that may or may not be incurred during the life of a contract. For example, to provide for taxes excluded from the contract price but payable in certain instances, or for price escalation costs usually related to area posted prices or other types of cost indexes. However, SCPS submitting **MIPRs** will promptly provide funding authority for cost increases arising out of contract allowable increased costs, when and if such increases occur.

## G. DoD COMPONENTS AUTHORIZED TO SUBMIT PROCUREMENT REQUESTS TO DFSC

### 1. Requirements for Bulk Fuel, Packaged Fuels/Drumming Services, and Into-Plane Refueling Contracts

- a. Army     Artny Petroleum Center/SATPC-L  
New Cumberland, Pennsylvania  
17070-5008
- b. Navy <sup>1</sup> Navy Petroleum Office/NPO 20  
5010 Duke Street  
Cameron Station T-40  
Alexandria, Virginia 22304-6180
- c. Air Force: Air Force Fuels Division/DET 29 SA-  
ALC/SFM)  
Cameron Station, Bldg. 8  
Alexandria, Virginia 22304-6160

### 2. Requirements for Alongside Aircraft Fuel Delivery Services

- a. Army (Same as paragraph G. 1.a.)
- b. Navy (Same as paragraph G. 1b.)
- c. Air Force (Same as paragraph G. 1.c.)

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<sup>1</sup> Navy and Marine Corps bases in CONUS **shall** submit requirements **directly** to DFSC-O for contract **bulletin** products such as motor **gas**, heating oils.

3. Requirements for Commercial Testing of  
Government Product

- a. Army (Same as paragraph G. 1 a.)
- b. Navy (Same as paragraph G. 1b.)
- c. Air Force Directorate of Aerospace  
Fuels/SFQ 1084 Andrews Road  
Bldg. 1621  
San Antonio Air Logistics Center  
Kelly AFB, Texas 78241-5000